

REDDING TOWNSHIP, CLARE COUNTY

HARRISON, MICHIGAN

JUNE 30, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

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FEB - 4 2005

LOCAL AUDIT & FINANCE DIV.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Redding Township	County Clare
Audit Date 6/30/04	Opinion Date 11/19/04	Date Accountant Report Submitted to State: 1/14/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Baird, Cotter & Bishop, P.C.			
Street Address 134 W. Harris Street	City Cadillac	State MI	ZIP 49601
Accountant Signature		Date	

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

JUNE 30, 2004

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REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

JUNE 30, 2004

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CERTIFIED PUBLIC ACCOUNTANTS

November 19, 2004

INDEPENDENT AUDITORS' REPORT

To the Township Board
Redding Township
Clare County
Harrison, Michigan

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Redding Township, Clare County, Harrison, Michigan as of and for the year ended June 30, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Redding Township, Clare County, Harrison, Michigan as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I, the Township has implemented a new financial reporting model as required by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* as of July 1, 2003.

The management's discussion and analysis on pages iii through viii and budgetary comparison information on page 16 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Redding Township, Clare County, Harrison, Michigan's basic financial statements. The combining and individual fund financial statements, and other supplementary information are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

REDDING TOWNSHIP, CLARE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2004

Redding Township, a general law township located in Clare County has implemented the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34). The Management's Discussion and Analysis, a requirement of GASB 34, is intended to be the Redding Township board's discussion and analysis of the financial results for the fiscal year ended June 30, 2004. In future years, comparative information will be provided.

Financial Highlights

- ◆ The assets of the Township exceeded its liabilities at the close of the fiscal year by \$213,218. Of this amount, \$154,677 may be used to meet the township's ongoing obligations to citizens and creditors.
- ◆ As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$174,001 a decrease of \$17,839 in comparison with the prior year. About 89% is available for spending at the Township's discretion.
- ◆ The Township is not obligated under any long-term debt as of June 30, 2004.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components. 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements The government-wide financial statements, required by GASB 34, are new and being shown for the first time in 2004 for Redding Township. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business. These statements are calculated using full accrual accounting and more closely represent those presented by business and industry. The entire Township's assets and liabilities, both short and long-term, are reported. As such, these statements include capital assets, net of related depreciation.

The *Statement of Net Assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *Statement of Activities* presents information showing how the Township's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

REDDING TOWNSHIP, CLARE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2004

Both of the government-wide financial statements distinguish functions of the Township's that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government and administration, public safety, public works, and other functions. The Township does not have any business-type activities.

Fund Financial Statements

For the most part, the fund financial statements are comparable to prior years' financial statements. The primary difference is that the Account Groups (General Fixed Assets and General Long-Term Debt) are no longer reported. The fund level statements are reported on a modified accrual basis in that only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources. All of the funds of the Township can be divided into two categories - governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds – Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township does not maintain a proprietary fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, this report further presents Required Supplementary Information (RSI) that explains and supports the information presented in the financial statements.

REDDING TOWNSHIP, CLARE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2004

Government-Wide Financial Analysis

The Statement of Net Assets is the first statement in the Government-Wide Financial Statements section of this document. This statement is useful for providing an indicator of the Township's financial position over time. The Net Assets of the Township are \$213,218 at June 30, 2004, meaning the Township's assets were greater than its liabilities by this amount.

Redding Township
Net Assets as of June 30, 2004

	<u>Governmental Activities</u>
Assets	
Current Assets	\$ 187,117
Non Current Assets	
Capital Assets	115,957
Less: Accumulated Depreciation	<u>76,740</u>
Total Non Current Assets	<u>39,217</u>
Total Assets	\$ <u>226,334</u>
Liabilities	
Current Liabilities	\$ <u>13,116</u>
Net Assets	
Invested in Capital Assets	39,217
Restricted for Specific Purposes	19,324
Unrestricted	<u>154,677</u>
Total Net Assets	<u>213,218</u>
Total Liabilities and Net Assets	\$ <u>226,334</u>

The most significant portions of the Township's Net Assets are cash and investment in capital assets (e.g. land, buildings, equipment, infrastructure, and others). The Township is not responsible for any long-term debt as of June 30, 2004. Other liabilities are minimal as of June 30, 2004.

At the end of the current fiscal year, the Township is able to report positive balances in all categories of net assets for the government as a whole.

The following table illustrates and summarizes the results of the changes in the net assets for the Township. The condensed information was derived from the government-wide Statement of Activities.

REDDING TOWNSHIP, CLARE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2004

**Redding Township
Change in Net Assets
for the Fiscal Year Ended June 30, 2004**

	<u>Governmental Activities</u>
<u>Revenues</u>	
Program Revenues	
Charges for Services	\$ 4,548
General Revenues	
Property Taxes and Assessments	49,222
State Shared Revenue	39,876
Unrestricted Investment Earnings	1,877
Other	<u>240</u>
Total Revenues	\$ <u>95,763</u>
<u>Expenses</u>	
Legislative	\$ 6,667
General Government, Administrative	46,548
Public Safety	12,895
Public Works	41,756
Other Functions	<u>7,212</u>
Total Expenses	<u>115,078</u>
Changes in Net Assets	(19,315)
NET ASSETS – Beginning of Year	<u>232,533</u>
NET ASSETS – End of Year	\$ <u><u>213,218</u></u>

Governmental Activities

During the fiscal year ended June 30, 2004, the Township's net assets decreased by \$(19,315) or 8.31% in the governmental funds. The majority of this decrease represents the degree to which increases in ongoing expenses have outstripped similar increases in ongoing revenues. GASB 34 now requires the Township to maintain a record of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation expense is a reduction in net assets.

The most significant portion of the revenue for all governmental activities of Redding Township comes from property taxes and special assessments. The Township levied 0.7999 mills for operating purposes.

State shared revenue is collected by the State of Michigan and distributed to local governments by formula allocation of portions of the State sales tax. In 2004, the amount of state shared revenue received by the Township trended downward, representing declining sales tax collections and discretionary reductions by the State in revenue sharing payments.

REDDING TOWNSHIP, CLARE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2004

The Township's governmental activities expenses are dominated by general governmental expenses that total 40.45% of total expenses. The Township spent \$46,548 in fiscal year 2004 on General Administrative expenses. Public Works represented the next largest expense at \$41,756 followed by Public Safety at \$12,895. These represent 36.28% and 11.21% respectively. Expenses for salaries and contracted services represent a large portion of the General Administrative expenses at \$32,982. Depreciation expense added another \$1,476.

Financial Analysis of the Government's Funds

Governmental Funds The focus of Redding Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirement. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, Redding Township's governmental funds reported combined ending fund balances of \$174,001. Approximately 88.89% of this total amount \$(154,677) constitutes unreserved fund balance. The remainder of the fund balance is reserved for specific purposes and is therefore not available for new appropriation. For example, the fund balance that is reserved for fire protection and sanitation must be used for expenditures that relate to fire protection and sanitation.

General Fund – The General Fund decreased its fund balance by \$(22,566) which brings the fund balance to \$154,677. The General Fund's fund balance is unreserved. All of the General Fund's functions, except for the Others Function, ended the year with expenditures below budgeted amounts. The Others Function differential was funded by available fund balance. Property taxes amounted to \$10,500. State shared revenues were collected in the amount of \$39,876.

Fire Fund – The Fire Fund increased its fund balance by \$804 which brings the fund balance to \$1,086. This balance is reserved and must be used for fire protection.

The Township collected \$7,215 of special assessment revenue.

The only expenditure was contracted services for fire protection.

Sanitation Fund – The Sanitation Fund increased its fund balance by \$3,923 which brings the fund balance to \$18,238. The balance is reserved and must be used for sanitation.

The Township collected \$18,614 of special assessment revenue.

Proprietary Fund The Township does not maintain any proprietary funds.

REDDING TOWNSHIP, CLARE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2004

Capital Assets and Debt Administration

Capital Assets. The Township's investment in capital assets for governmental and business-type activities as of June 30, 2004 amounted to \$39,217 net of accumulated depreciation. There was no change in the Township's investment in capital assets for the current fiscal year.

Capital assets summarized below include any items purchased with a cost greater than \$300 individually and that have a useful life greater than one year. A summary of capital asset categories is illustrated below:

**Redding Township
Capital Assets as of June 30, 2004**

		Governmental Activities
Land and Land Improvements	\$	12,707
Buildings		84,201
Equipment, Furniture and Fixtures		19,049
		<hr/> 115,957
Less Accumulated Depreciation		<hr/> 76,740
Net Capital Assets	\$	<hr/> 39,217 <hr/>

There were no major capital asset events during the current fiscal year.

Long-Term Debt. Redding Township has no obligation for any long-term debt as of June 30, 2004.

Economic Condition and Outlook

The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget means further reductions in state-shared revenues. State-shared revenues are expected to decrease by at least 1.091% in the 2004-05 fiscal year. The Township has budgeted for a larger decrease as more cuts are expected. The Township's millage rate will be reduced again by the Headlee Amendment rollback from the 0.7999 mills for general operating purposes levied in 2003-2004.

These factors were considered in preparing the Township's budgets for the 2004-05 fiscal year.

Request for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need any additional information, contact Redding Township at 101 S. Main Street, Temple, MI 48625.

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

STATEMENT OF NET ASSETS
JUNE 30, 2004

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash	\$ 187,117
<u>CAPITAL ASSETS</u>	
Land	12,100
Land Improvements	607
Buildings	84,201
Equipment	19,049
	<u>115,957</u>
Less Accumulated Depreciation	76,740
Net Capital Assets	<u>39,217</u>
 TOTAL ASSETS	 <u>226,334</u>
<u>LIABILITIES</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	1,524
Payroll Taxes and Withholdings	92
Deferred Revenue	11,500
	<u>13,116</u>
Total Current Liabilities	<u>13,116</u>
 <u>NET ASSETS</u>	
Invested in Capital Assets Net of Related Debt	39,217
Restricted for Fire Protection	1,086
Restricted for Sanitation	18,238
Unrestricted	154,677
	<u>213,218</u>
 TOTAL NET ASSETS	 <u>\$ 213,218</u>

The accompanying notes are an integral part of the financial statements.

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			PENSE) REVENUE AND CHANGES IN NET	
		CHARGES FOR	OPERATING	CAPITAL	GOVERNMENTAL	TOTALS
		SERVICES	GRANTS AND	GRANTS AND	ACTIVITIES	
			CONTRIBUTIONS	CONTRIBUTIONS		
<u>PRIMARY GOVERNMENT</u>						
<u>GOVERNMENTAL ACTIVITIES</u>						
Legislative	\$ 6,667	\$ 0	\$ 0	\$ 0	\$ (6,667)	\$ (6,667)
General Government, Administrative	46,548	4,548	0	0	(42,000)	(42,000)
Public Safety	12,895	0	0	0	(12,895)	(12,895)
Public Works	41,756	0	0	0	(41,756)	(41,756)
Other Functions	7,212	0	0	0	(7,212)	(7,212)
Total Governmental Activities	115,078	4,548	0	0	(110,530)	(110,530)
<u>GENERAL REVENUES</u>						
Property Tax and Special Assessments					\$ 49,222	\$ 49,222
State Shared Revenue					39,876	39,876
Unrestricted Investment Earnings					1,877	1,877
Other					240	240
Total General Revenues and Transfers					91,215	91,215
Change in Net Assets					(19,315)	(19,315)
<u>NET ASSETS</u> - Beginning of Year					232,533	232,533
<u>NET ASSETS</u> - End of Year					\$ 213,218	\$ 213,218

The accompanying notes are an integral part of the financial statements.

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2004

	GENERAL FUND	FIRE FUND	SANITATION FUND	TOTALS
<u>ASSETS</u>				
Cash	\$ 167,793	\$ 1,086	\$ 18,238	\$ 187,117
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,524	\$ 0	\$ 0	\$ 1,524
Payroll Taxes and Withholdings	92	0	0	92
Deferred Revenue	11,500	0	0	11,500
Total Liabilities	13,116	0	0	13,116
<u>FUND BALANCE</u>				
Reserved for:				
Fire Protection	0	1,086	0	1,086
Sanitation	0	0	18,238	18,238
Unreserved				
Undesignated	154,677	0	0	154,677
Total Fund Balance	154,677	1,086	18,238	174,001
TOTAL LIABILITIES AND FUND BALANCE	\$ 167,793	\$ 1,086	\$ 18,238	\$ 187,117

The accompanying notes are an integral part of the financial statements.

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total Fund Balances for Governmental Funds	\$ 174,001
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Amounts Reported for Governmental Activities in the
Statement of Net Assets are Different Because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the funds.

Land	\$ 12,100	
Land Improvements	607	
Buildings	84,201	
Equipment, Furniture and Vehicles	19,049	
Accumulated Depreciation	(76,740)	39,217

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 213,218</u>
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The accompanying notes are an integral part of the financial statements.

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2004

	GENERAL FUND	FIRE FUND	SANITATION FUND	TOTALS
<u>REVENUES</u>				
Taxes	\$ 23,393	\$ 0	\$ 0	\$ 23,393
State Grants	39,876	0	0	39,876
Charges for Services	4,438	0	0	4,438
Interest and Rents	1,987	0	0	1,987
Special Assessments	0	7,215	18,614	25,829
Other Revenues	240	0	0	240
Total Revenues	69,934	7,215	18,614	95,763
<u>EXPENDITURES</u>				
Legislative	6,667	0	0	6,667
General Government	45,072	0	0	45,072
Public Safety	6,484	6,411	0	12,895
Public Works	27,065	0	14,691	41,756
Other Functions	7,212	0	0	7,212
Total Expenditures	92,500	6,411	14,691	113,602
Net Change in Fund Balance	(22,566)	804	3,923	(17,839)
<u>FUND BALANCE - Beginning of Year</u>	177,243	282	14,315	191,840
<u>FUND BALANCE - End of Year</u>	\$ 154,677	\$ 1,086	\$ 18,238	\$ 174,001

The accompanying notes are an integral part of the financial statements.

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2004

Net change in Fund Balance - Total Governmental Funds	\$ (17,839)
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Amounts reported for governmental activities are different because:

Governmental funds report capital outlays as expenditures in the statement of activities. These costs are allocated over their estimated useful lives as depreciation.

Depreciation Expense	<u>(1,476)</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (19,315)</u></u>
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The accompanying notes are an integral part of the financial statements.

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash	\$ 1,581
<u>LIABILITIES</u>	
Due to Other Governments	<u>1,581</u>
<u>NET ASSETS</u>	
Unrestricted	<u><u>\$ 0</u></u>

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Redding Township is a general law township located in Clare County which operates under the direction of an elected township board. Under the criteria established by generally accepted accounting principles, the Township has determined that there are no component units which should be included in its reporting entity.

B. Government-wide and Fund Financial Statements

During fiscal year 2004, the Township adopted GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statements No. 37 and No. 38, and applied those standards on a retroactive basis. GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset categories.

Invested in Capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, and contributions, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets are often designated, to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management, but can be modified or removed.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially responsible.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide focus is more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements are similar to the financial statements presented in the previous financial reporting model.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, interest and special assessments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current period is considered to be susceptible to accrual as revenue of the current period. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The accounts of the Township are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Redding Township reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Fire Fund* accounts for revenue sources that are legally restricted to expenditure for fire protection.

The *Sanitation Fund* accounts for revenue sources that are legally restricted to expenditure for sanitation.

Additionally Redding Township reports the following fund types:

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the Township holds for others in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions involved. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use the restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

1. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of twelve months or less from date of acquisition.

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

The Township investment policy authorizes the Township treasurer to invest Township funds in deposit accounts, savings accounts and certificates of deposit.

2. *Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property taxes attach as an enforceable lien on the property as of the date they are levied. State education taxes are levied and due July 1, and become delinquent after September 14. County school taxes and all other taxes are levied and due December 1, and become delinquent after February 14. Collections of school and county taxes and remittances of them are accounted for in the Current Tax Collection Fund. Township property tax revenues are recognized when they become both measurable and available for use to finance Township operations. Amounts which are not expected to be collected within sixty days are treated as deferred revenues.

The 2003 taxable valuation of Redding Township totaled \$13,132,435, on which ad valorem taxes levied consisted of .7999 mills for Redding Township operating purposes. The levy raised approximately \$10,500 for operating purposes.

3. *Inventories and Prepaid Items*

Inventories are not significant and are expensed as required.

4. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$300 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment of the primary government, as well as the component units are depreciated using the straight line method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Buildings	50
Land improvements	25
Equipment and Furniture	5-10

5. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The Township currently has no long-term obligations.

6. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

7. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

The annual budget is adopted on the modified accrual basis in accordance with the requirements of Michigan Public Act 621 of 1978 "The Uniform Budgeting and Accounting Act". A public hearing is held to obtain taxpayer comments. Appropriations lapse at year end. Budget amounts are as originally adopted on June 18, 2003.

The appropriated budget is prepared by fund and activity. The Township Board exercises budgetary control over expenditures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Township because it is, at present, not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

At year-end, the carrying amount of the Township's deposits was \$188,698 and the bank balance was \$183,112. Of the bank balance, \$143,908 was covered by federal depository insurance. The remaining \$39,204 in accounts which exceed the federal depository insurance unit of \$100,000 are also uncollateralized.

The carrying amounts of the Township's deposits at year-end are shown below:

	PUBLIC FUND MONEY FUND	CHECKING ACCOUNTS	CERTIFICATES OF DEPOSIT	TOTAL
General Fund	\$ 102,245	\$ 37,527	\$ 28,021	\$ 167,793
Fire Fund	0	1,086	0	1,086
Sanitation Fund	0	18,238	0	18,238
Current Tax Collection Fund	0	1,581	0	1,581
TOTAL	\$ 102,245	\$ 58,432	\$ 28,021	\$ 188,698

A reconciliation of cash and investments follows:

Carrying amount of deposits	\$ 188,698
Government-wide Statement of Net Assets	
Cash	\$ 187,117
Current Tax Collection Fund	
Cash	1,581
Total	\$ 188,698

B. Receivables

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

At June 30, 2004, the Township did not have any receivables.

The allowance for doubtful accounts is not considered to be material for disclosure.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the fiscal year, the components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	DEFERRED UNAVAILABLE	REVENUE UNEARNED
Grant Revenue Unspent (General Fund)	\$ 0	\$ 11,500

C. Capital Assets

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated				
Land	\$ 12,100	\$ 0	\$ 0	\$ 12,100
Capital assets, being depreciated				
Buildings	84,201	0	0	84,201
Land Improvements	607	0	0	607
Machinery and equipment	19,049	0	0	19,049
Total capital assets, being depreciated	103,857	0	0	103,857
Less accumulated depreciation for:				
Buildings	61,405	311	0	61,716
Land Improvements	219	14	0	233
Machinery and equipment	13,640	1,151	0	14,791
Total accumulated depreciation	75,264	1,476	0	76,740
Total capital assets, being depreciated, net	28,593	(1,476)	0	27,117
Governmental activities capital assets, net	\$ 40,693	\$ (1,476)	\$ 0	\$ 39,217

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General Government	\$ 1,476
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Construction Commitments:

The government has no outstanding construction commitments as of June 30, 2004.

D. Interfund Receivables, Payables and Transfers

There were no individual fund interfund receivable and payable balances at June 30, 2004.

E. Long-Term Debt

At June 30, 2004, the Township was not obligated for any long-term debt.

F. Fund Balance Reserves

In order to comply with generally accepted accounting principles and meet certain legal requirements, the Township has reserved fund balances in various funds. These reserves are detailed in the following schedule:

FUND BALANCE/NET ASSETS

Reserved

Special Revenue Funds

Fire Fund

Fire Protection

\$ 1,086

Sanitation Fund

Sanitation

18,238

TOTAL FUND BALANCE RESERVES

\$ 19,324

IV. OTHER INFORMATION

A. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Township participates in a pool of municipalities within the State of Michigan for self-insuring property and casualty, crime, general liability, workers compensation insurance and errors and omissions insurance. The Township pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Township has not been informed of any special assessments being required for the current year or the three prior years.

The Township continues to carry insurance for other risks of loss, including fidelity bonds.

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2004

	GENERAL FUND				FIRE FUND				SANITATION FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES												
Taxes	\$ 23,300	\$ 23,300	\$ 23,393	\$ 93	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Grants	25,000	27,000	39,876	12,876	0	0	0	0	0	0	0	0
Charges for Services	1,400	1,400	4,438	3,038	0	0	0	0	0	0	0	0
Interest and Rents	2,200	2,200	1,987	(213)	0	0	0	0	0	0	0	0
Special Assessments	0	0	0	0	7,500	7,500	7,215	(285)	18,000	18,000	18,614	614
Other Revenues	68,100	72,100	240	(71,860)	0	0	0	0	0	0	0	0
Total Revenues	120,000	126,000	69,934	(56,066)	7,500	7,500	7,215	(285)	18,000	18,000	18,614	614
EXPENDITURES												
Legislative	9,500	13,500	6,667	6,833	0	0	0	0	0	0	0	0
General Government	47,500	45,500	45,072	428	0	0	0	0	0	0	0	0
Public Safety	7,000	7,000	6,484	516	7,500	7,500	6,411	1,089	0	0	0	0
Public Works	28,500	28,500	27,065	1,435	0	0	0	0	18,000	18,000	14,691	3,309
Other Functions	0	0	7,212	(7,212)	0	0	0	0	0	0	0	0
Contingency	2,000	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	94,500	94,500	92,500	2,000	7,500	7,500	6,411	1,089	18,000	18,000	14,691	3,309
Net Change in Fund Balance	25,500	31,500	(22,566)	(54,066)	0	0	804	804	0	0	3,923	3,923
FUND BALANCE - Beginning of Year	177,243	177,243	177,243	0	282	282	282	0	14,315	14,315	14,315	0
FUND BALANCE - End of Year	\$ 202,743	\$ 208,743	\$ 154,677	\$ (54,066)	\$ 282	\$ 282	\$ 1,086	\$ 804	\$ 14,315	\$ 14,315	\$ 18,238	\$ 3,923

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

GENERAL FUND
BALANCE SHEET

JUNE 30, 2004

ASSETS

Cash	
Checking	\$ 37,527
Public Fund Moneyfund	102,245
Certificates of Deposit	<u>28,021</u>
TOTAL ASSETS	<u>\$ 167,793</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 1,524
Payroll Taxes and Withholdings	92
Deferred Revenue	<u>11,500</u>
Total Liabilities	13,116

FUND BALANCE

Unreserved	
Undesignated	<u>154,677</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 167,793</u>

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES FUND IN BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004

	<u>2004 BUDGET</u>		<u>2004</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes	\$ 23,300	\$ 23,300	\$ 23,393
State Grants	25,000	27,000	39,876
Charges for Services	1,400	1,400	4,438
Interest and Rents	2,200	2,200	1,987
Other Revenues	68,100	72,100	240
Total Revenues	120,000	126,000	69,934
<u>EXPENDITURES</u>			
Legislative			
Township Board	9,500	13,500	6,667
General Government			
Supervisor	6,500	6,500	6,470
Elections	500	500	124
Assessor	6,500	6,500	5,993
Clerk	11,000	11,000	9,636
Board of Review	1,000	1,000	802
Treasurer	11,000	11,000	11,236
Building and Grounds	6,000	4,000	6,881
Cemetery	5,000	5,000	3,930
Public Safety			
Law Enforcement	7,000	7,000	6,484
Public Works			
Street Lighting	2,500	2,500	1,660
Highways and Streets	26,000	26,000	25,405
Other Functions	0	0	7,212
Contingency	2,000	0	0
Total Expenditures	94,500	94,500	92,500
Net Change in Fund Balance	25,500	31,500	(22,566)
FUND BALANCE - Beginning of Year	177,243	177,243	177,243
FUND BALANCE - End of Year	\$ 202,743	\$ 208,743	\$ 154,677

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

GENERAL FUND

ANALYSIS OF REVENUES
YEAR ENDED JUNE 30, 2004

TAXES

Current Property Tax	\$	10,500	
Swamp Tax		8,792	
Property Tax Administrative Fee		<u>4,101</u>	
Total Taxes			\$ 23,393

STATE GRANTS

State Revenue Sharing			
Sales and Use Tax		37,314	
Telecommunications Right of Way Maintenance		<u>2,562</u>	39,876

CHARGES FOR SERVICES

Summer Tax Collection		2,338	
Sales - Cemetery Lots		<u>2,100</u>	
Total Charges for Services			4,438

INTEREST AND RENTS

Interest Earnings		1,877	
Hall Rental		<u>110</u>	
Total Interest and Rents			1,987

OTHER REVENUES

Refunds, Rebates and Miscellaneous			<u>240</u>
TOTAL REVENUES			\$ <u><u>69,934</u></u>

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES
YEAR ENDED JUNE 30, 2004

LEGISLATIVE

Township Board		
Salaries and Wages	\$	3,277
Supplies		1,331
Professional Services		605
Communications		433
Travel		236
Dues and Fees		295
Education and Training		490
		<hr/>
Total Legislative	\$	6,667

GENERAL GOVERNMENT

Supervisor		
Salaries and Wages	\$	6,395
Education and Training		75
		<hr/>
Total Supervisor		6,470
Elections		
Supplies		61
Travel		49
Education and Training		14
		<hr/>
Total Elections		124
Assessor		
Supplies		893
Contracted Services		5,100
		<hr/>
Total Assessor		5,993
Clerk		
Salaries and Wages		7,770
Salaries and Wages - Deputy		77
Supplies		497
Professional Services		952
Communications		303
Travel		37
		<hr/>
Total Clerk		9,636

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES
YEAR ENDED JUNE 30, 2004

Board of Review

Salaries and Wages	469
Supplies	16
Communications	14
Travel	32
Education and Training	271

Total Board of Review	802
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Treasurer

Salaries and Wages	7,200
Salaries and Wages - Deputy	7
Supplies	3,312
Professional Services	693
Communications	24

Total Treasurer	11,236
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Building and Grounds

Salaries and Wages	77
Supplies	954
Contracted Services	2,362
Communications	741
Utilities	2,537
Repairs and Maintenance	10
Miscellaneous	200

Total Building and Grounds	6,881
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Cemetery

Contracted Services	3,525
Supplies	329
Repairs and Maintenance	76

Total Cemetery	3,930
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Total General Government	45,072
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REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES
YEAR ENDED JUNE 30, 2004

PUBLIC SAFETY

Law Enforcement

Contracted Services

6,484

PUBLIC WORKS

Street Lighting

1,660

Highways and Streets

Contracted Services

2,880

Aid to Other Governments

22,525

25,405

Total Public Works

27,065

OTHER FUNCTIONS

Fringe Benefits

Medicare and Social Security

2,321

Workers Compensation

1,090

Insurance and Bonds

3,801

Total Other Functions

7,212

TOTAL EXPENDITURES

\$ 92,500

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2004

	<u>ASSETS</u>	<u>FIRE</u>	<u>SANITATION</u>	<u>TOTAL</u>
Cash				
Checking		\$ 1,086	\$ 18,238	\$ 19,324
	<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>		\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>				
Reserved for Fire Protection		1,086	0	1,086
Reserved for Sanitation		0	18,238	18,238
Total Fund Balance		1,086	18,238	19,324
TOTAL LIABILITIES AND FUND BALANCE		\$ 1,086	\$ 18,238	\$ 19,324

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2004

	<u>FIRE</u>	<u>SANITATION</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Special Assessments	\$ 7,215	\$ 18,614	\$ 25,829
<u>EXPENDITURES</u>			
Public Safety			
Fire - Contracted Services	6,411	0	6,411
Public Works			
Sanitation - Contracted Services			
Attendant	0	3,448	3,448
Waste Management	0	11,243	11,243
Total Expenditures	6,411	14,691	21,102
Net Change in Fund Balance	804	3,923	4,727
FUND BALANCE - Beginning of Year	282	14,315	14,597
FUND BALANCE - End of Year	\$ 1,086	\$ 18,238	\$ 19,324

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

CURRENT TAX COLLECTION FUND

BALANCE SHEET
JUNE 30, 2004

ASSETS

Cash	
Checking	\$ 1,581

LIABILITIES AND BALANCE

<u>Liabilities</u>	
Unreserved	
Due to Other Governments	\$ 1,581
<u>Balance</u>	0
Total Liabilities and Balance	\$ 1,581

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
YEAR ENDED JUNE 30, 2004

RECEIPTS

Current Tax Collections	\$	366,209	
Penalties and Interest		1,144	
Special Assessments		24,542	
Administration Fees		3,316	
Overcollections from Taxpayers		513	
Interest Earnings		<u>57</u>	
Total Receipts			\$ 395,781

DISBURSEMENTS

Payments to County Treasurer-Current Tax			
Operating/Gypsy Moth/Animal Shelter	\$	56,750	
State Education Tax		58,308	
Commission on Aging		4,921	
Transit		2,801	
Whiskey Creek Drain Special Assessment		4,750	
Penalties and Interest		<u>161</u>	127,691
Payments to School Treasurer			
Operating		140,822	
Debt		<u>30,317</u>	171,139
Payments to Intermediate School Treasurer			63,784
Payments to Township Treasurer			
Operating		8,506	
Fire		4,323	
Sanitation		15,469	
Administration Fees		<u>3,316</u>	31,614
Refund to Taxpayers for Overcollections			<u>513</u>
Total Disbursements			<u>394,741</u>
Excess of Receipts Over (Under) Disbursements			1,040
BALANCE - Beginning of Year			<u>541</u>
BALANCE - End of Year			<u>\$ 1,581</u>

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

STATEMENT OF 2003 TAX ROLL
JUNE 30, 2004

TAXES ASSESSED

County			
Operating/Gypsy Moth/Animal Shelter	\$	69,926	
Commission on Aging		6,075	
Transit		3,457	
State Education Tax		65,660	
Whiskey Creek Drain Special Assessment		5,063	
Township			
Operating		10,500	
Special Assessments			
Sanitation		18,614	
Fire		7,215	
Marion Public School			
Operating		166,160	
Debt		37,424	
Intermediate School			
Wexford-Missaukee Intermediate		78,794	
			\$ 468,888

TAXES COLLECTED

County			
Operating/Gypsy Moth/Animal Shelter		56,750	
Commission on Aging		4,921	
Transit		2,801	
State Education Tax		58,308	
Whiskey Creek Drain Special Assessment		4,750	
Township			
Operating		8,506	
Special Assessments			
Sanitation		13,810	
Fire		5,982	
Marion Public School			
Operating		140,822	
Debt		30,317	
Intermediate School			
Wexford-Missaukee Intermediate		63,784	
			390,751

REDDING TOWNSHIP, CLARE COUNTY
HARRISON, MICHIGAN

STATEMENT OF 2003 TAX ROLL
JUNE 30, 2004

TAXES RETURNED DELINQUENT

County		
Operating/Gypsy Moth/Animal Shelter	13,176	
Commission on Aging	1,154	
Transit	656	
State Education Tax	7,352	
Whiskey Creek Drain Special Assessment	313	
Township		
Operating	1,994	
Special Assessments		
Sanitation	4,804	
Fire	1,233	
Marion Public School		
Operating	25,338	
Debt	7,107	
Intermediate School		
Wexford-Missaukee Intermediate	<u>15,010</u>	<u>\$ 78,137</u>